

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division**

DISTRICT OF COLUMBIA,
a municipal corporation
400 6th St. NW
Washington, D.C. 20001,

Plaintiff,

v.

DYNAMIC CONTRACTING, INC.,
2806 Douglas St. NE
Washington, D.C. 20018

Serve on: CT Corporation System
1015 15th St. NW, Suite 1000
Washington, D.C. 20005,

GILBANE BUILDING CO.,
7 Jackson Walkway
Providence, RI 02903

Serve on: CT Corporation System
1015 15th St. NW, Suite 1000
Washington, D.C. 20005,

CONSIGLI CONSTRUCTION CO., INC.,
72 Summer St.
Milford, MA 01757

Serve on: Corporate Creations Network Inc.
1629 K St. NW, #300
Washington, D.C. 20006,

GSA CONSTRUCTION INC.,
5655 Neddleton Ave.
Woodbridge, VA 22193

Serve on: Jose G. Jimenez Avelar
5655 Neddleton Ave.
Woodbridge, VA 22193,

Case No.:
Judge:

COMPLAINT

JURY TRIAL DEMANDED

P&CM CONSTRUCTION GROUP, INC.,
14814 Downey Ct.
Woodbridge, VA 22193

Serve on: Pedro Sepulveda Jimenez
14814 Downey Ct.
Woodbridge, VA 22193,

JC DRYWALL, LLC,
3917 Isbell St.
Silver Spring, MD 20906

Serve on: Oneyda Guadalupe
Chavez Alfaro
3917 Isbell St.
Silver Spring, MD 20906,

AVE CONTRACTOR, INC.,
7200 Wisconsin Ave., Suite 500
Bethesda, MD 20814

Serve on: 360 Compliance, Inc.
910 17th St. NW, Suite 404
Washington, D.C. 20006,

Defendants.

COMPLAINT

Plaintiff District of Columbia (District), by the Office of the Attorney General, brings this action for violations of the District’s Workplace Fraud Act (WFA), Minimum Wage Revision Act (MWRA), and Sick and Safe Leave Act (SSLA). *See* D.C. Code §§ 32-1331.01, *et seq.*; 32-1001, *et seq.*; 32-531.01, *et seq.*

The District alleges that Defendants, players in the District’s construction industry, engaged in a coordinated worker misclassification scheme to unlawfully reduce their labor costs at worksites in the District. This scheme stole workers’ wages and reduced their benefits. In support of its claims, the District states as follows:

INTRODUCTION

1. This is a worker misclassification case. Worker misclassification occurs when employers improperly treat employees as independent contractors in order to illegally reduce the employers' labor costs.

2. Worker misclassification causes extensive harm. The harm begins with the workers, who are denied the basic legal protections of the District's employment laws, including the right to a minimum wage, overtime pay, and paid sick leave. The harm also extends to the industry because employers who misclassify workers undercut law-abiding competitors by unlawfully evading routine costs that come with employment, such as paying federal and state payroll taxes. Finally, the harm extends to the District and the public because unscrupulous employers who misclassify workers also shirk their duties to contribute to public benefit programs like unemployment insurance, which are funded by employer-paid payroll taxes.

3. At the heart of this case is Defendant Dynamic Contracting, Inc. (Dynamic), an intermediate subcontractor that specializes in drywall installation. Dynamic is regularly contracted to handle drywall projects in the District and has generated millions of dollars in revenue through these contracts.

4. Dynamic's business model, however, relies extensively on scores of drywall laborers supplied by a rotating cast of sub-subcontractors (hereinafter, "labor subcontractors")—including Defendants GSA Construction, Inc.; P&CM Construction Group, Inc.; JC Drywall, Inc.; and AVE Contractor, Inc. Critically, Dynamic's labor subcontractors misclassify their employees as independent contractors and repeatedly violate their employees' rights to overtime pay and paid sick leave.

5. This systemic worker misclassification results in unlawfully suppressed labor costs

at the labor subcontractor level. Moreover, these illegal cost reductions are shared throughout the contracting chain, inuring to the benefit of Dynamic and the general contractors who subcontract with Dynamic.

6. Defendants Gilbane Building Company and Consigli Construction Company, Inc. are general contractors who have repeatedly done business with Dynamic (and its labor subcontractors) in the District, entering into dozens of contracts totaling tens of millions of dollars.

7. Under District law, all Defendants are jointly and severally liable for their subcontractors' violations of the WFA, which prohibits worker misclassification; the MWRA, which establishes overtime pay requirements and recordkeeping requirements; and the SSLA, which requires employers to provide employees with accrued paid sick leave.

8. The District brings this action to enjoin all Defendants from continuing to engage in this unlawful worker misclassification scheme that has systemically violated District employment laws, and to recover all damages and penalties available under law.

JURISDICTION AND PARTIES

9. This Court has subject matter jurisdiction over this civil action pursuant to D.C. Code § 11-921(a).

10. This Court has personal jurisdiction over Defendants due to their transacting business in the District of Columbia, pursuant to D.C. Code § 13-423(a)(1).

11. Plaintiff District of Columbia, a municipal corporation empowered to sue and be sued, is the local government for the territory constituting the seat of the government for the United States. The District brings this action through its chief legal officer, the Attorney General for the District of Columbia. The Attorney General has general charge and conduct of all legal business of the District and all suits initiated by and against the District and is responsible for upholding the

public interest. D.C. Code § 1-301.81(a)(1).

12. Defendant Dynamic Contracting, Inc. (Dynamic) is a District corporation that provides subcontracting services relating to drywall installation in the District and its surrounding metropolitan area.

13. Defendant Gilbane Building Co. (Gilbane) is a Rhode Island corporation that provides general contracting services in the construction industry nationwide and operates multiple construction projects in the District.

14. Defendant Consigli Construction Co., Inc. (Consigli) is a Massachusetts corporation that provides general contracting services in the construction industry nationwide and operates multiple construction projects in the District.

15. Defendant GSA Construction, Inc. (GSA) is a Virginia corporation that provides labor services relating to drywall installation.

16. Defendant P&CM Construction Group, Inc. (P&CM) is a Virginia corporation that provides labor services relating to drywall installation.

17. Defendant JC Drywall, LLC (JC) is a Maryland corporation that provides labor services relating to drywall installation.

18. Defendant AVE Contractor, Inc. (AVE) is a Maryland corporation that provides labor services relating to drywall installation.

FACTUAL ALLEGATIONS

A. Worker Misclassification in the District.

19. An employer engages in worker misclassification when a worker who should be classified as an employee is instead classified as an independent contractor.

20. Misclassification directly harms workers by denying them rights to which they are

entitled as employees. District law provides employees with numerous wage-and-hour protections, including overtime pay at a rate no less than 1.5 times their regular rate for hours worked over 40 hours in any workweek, and paid sick leave. *See* D.C. Code §§ 32-1003(c) (overtime); 32-531.02 (paid sick leave). Employers who misclassify employees avoid these legal protections and can deny workers the wages and paid sick leave to which they are entitled under District law.

21. Misclassification also causes competitive harm to the industry because it allows employers to unlawfully reduce their labor costs. For example, employers are required to pay numerous payroll taxes calculated as a percentage of wages paid to employees, such as federal Social Security and Medicare taxes, as well as federal and District unemployment insurance taxes. Employers evade these payroll taxes entirely when they misclassify workers as independent contractors.

22. A recent economic analysis of worker misclassification in the District's construction industry estimated that employers who misclassified workers illegally shaved their labor costs by at least 16.7%—a cut that grew to 27% when factoring in even modest wage-and-hour violations. These unlawful labor cost reductions are significant, especially in industries like construction, where contracts are often awarded through a competitive bidding process.

23. Finally, worker misclassification harms the public. For example, employers who misclassify employees undermine public benefit programs such as unemployment insurance, which are funded by employer-paid payroll taxes.

B. Defendants' Roles in the Construction Industry.

24. A typical construction project requires the participation of multiple entities, who are bound together through a series of contracts and subcontracts.

25. At the top of the contracting chain, a property owner commences a construction

project by entering into an agreement with a general contractor. A general contractor is responsible for supervising the project's progress on a day-to-day basis and managing it to completion.

26. A general contractor will typically subcontract out the installation of major building systems (*e.g.*, drywall, electrical, and plumbing). These subcontracts are entered into between the general contractor and "trade contractors," who specialize in the specific trade necessary to install a particular system. For example, the general contractor will enter into a subcontract with a drywall contractor to install the building's drywall, a separate subcontract with an electrical contractor to install the building's electrical system, and so on.

27. The trade contractor may also subcontract with entities, such as labor subcontractors, to provide additional services. As relevant to this case, these labor subcontractors operate at the bottom of the contracting chain and exist to provide labor services—specifically, the supplying of actual workers to jobsites to perform construction work.

28. Defendants Gilbane and Consigli are general contractors (referred to collectively as the "GC Defendants"). The GC Defendants are national businesses that conduct large construction projects in states throughout the country, including multiple large-scale construction projects in the District.

29. Defendant Dynamic is a trade contractor that specializes in drywall installation. Dynamic's business focuses on projects in the District and its surrounding metropolitan area. Dynamic has repeatedly entered into contracts with the GC Defendants to perform drywall installation services on large construction projects in the District, totaling over \$22 million in contract value.

30. Defendants GSA, P&CM, JC, and AVE are labor subcontractors (referred to collectively as the "Labor Subcontractor Defendants"), who specialize in providing labor services

relating to drywall installation on construction projects. The Labor Subcontractor Defendants operate at the bottom of the contracting chain and, relative to the contractors above them, are significantly more localized in their business scope. Dynamic has repeatedly subcontracted with the Labor Subcontractor Defendants to obtain laborers to perform drywall installation services on Dynamic's contracts with the GC Defendants.

31. The GC Defendants, Dynamic, and the Labor Subcontractor Defendants repeatedly entered into a contracting chain to complete construction projects in the District.

32. For example, Gilbane has subcontracted with Dynamic to perform drywall installation services on at least 11 construction projects in the District, with a total value of over \$15 million. On multiple projects, Dynamic subcontracted with GSA (who subsequently subcontracted with P&CM) to provide labor services to complete drywall installation work.

33. Consigli has subcontracted with Dynamic to perform drywall installation services on at least 13 construction projects in the District, with a total value of over \$7 million. On multiple projects, Dynamic subcontracted with JC and AVE to provide labor services to complete drywall installation work.

C. The Worker Misclassification and Wage Violation Scheme.

34. All Defendants engaged in a scheme to reduce their labor costs through systemic and widespread worker misclassification on construction projects throughout the District.

35. Specifically, Defendants relied on scores of workers supplied by labor subcontractors, including but not limited to the Labor Subcontractor Defendants, to install drywall on construction projects throughout the District.

36. Labor subcontractors, including but not limited to the Labor Subcontractor Defendants, consistently misclassified their workers as independent contractors, slashing costs

through evading payroll taxes and failing to pay overtime and paid sick leave.

37. Indeed, labor subcontractors were often used by Defendants as little more than corporate shells through which Dynamic distributed wages to misclassified workers.

38. All Defendants benefited from this worker misclassification scheme because the unlawfully reduced costs are distributed throughout the contracting chain. In this manner, this scheme allowed all Defendants to obtain an unfair and unlawful cost advantage at the expense of misclassified workers.

i. Misclassification at the GC Defendants' Worksites.

39. The GC Defendants ultimately controlled many of the worksites where Dynamic operated its worker misclassification scheme with labor subcontractors.

40. All Defendants engaged in this worker misclassification scheme on multiple District construction worksites from 2018 through the present.

The Gilbane Projects

41. The Gilbane construction project regarding student residences at Georgetown University (the "Georgetown Project") from 2020-2021 provides an example of how Defendants' worker misclassification scheme functions in practice.

42. Gilbane was the general contractor for the Georgetown Project, which involved the renovation of a large student residence located at 3700 O Street NW, with 16 floors and 30 rooms per floor.

43. Gilbane entered into two contracts with Dynamic to perform drywall installation services at the Georgetown Project, with a total value of over \$1.8 million.

44. To complete the drywall work on the Georgetown Project, Dynamic relied extensively on workers provided by labor subcontractors. Dynamic subcontracted with Labor

Subcontractor Defendant GSA, who subsequently subcontracted with Labor Subcontractor Defendant P&CM and additional labor subcontractors, to provide a significant number of drywall laborers to the Georgetown Project.

45. In all, GSA and P&CM supplied over 35 workers to perform drywall services on the Georgetown Project.

46. GSA and P&CM misclassified their workers as independent contractors and paid them hourly rates between \$17 to \$22 per hour. Contrary to this classification, GSA's and P&CM's workers were under GSA's and P&CM's control, they were not engaged in an independently established business, and they performed work squarely within GSA's and P&CM's usual course of business.

47. GSA and P&CM routinely engaged in wage-and-hour violations. For example, GSA's and P&CM's own payroll records from June 2020 through January 2021 show that the vast majority of their workers regularly worked hours in excess of 40 hours per week and were not timely paid overtime wages.

48. GSA and P&CM failed to provide their workers with accrued paid sick leave.

49. GSA and P&CM failed to provide their workers with written notices upon hire providing workers with GSA's and P&CM's addresses, telephone numbers, the worker's rate of pay and the basis for that rate, and GSA's and P&CM's regular payday.

50. GSA and P&CM also failed to provide their workers with itemized pay stubs showing their hours worked for the pay period.

51. GSA and P&CM did not withhold any taxes from wages paid to their workers and did not pay employer shares of payroll taxes on those wage payments.

52. GSA and P&CM engaged in significant violations of District law at the

Georgetown Project to reduce their labor costs. These illegal cost reductions were shared throughout the contracting chain and thus benefited Dynamic and Gilbane.

53. In addition, Dynamic functioned as a joint employer of GSA's and P&CM's workers because Dynamic exercised extensive control and supervision over the workers on a day-to-day basis. As an employer of these workers, Dynamic engaged in the same misclassification, wage-and-hour, sick leave, and recordkeeping violations that GSA and P&CM committed, as alleged in Paragraphs 46-52.

54. Dynamic exercised control over GSA's and P&CM's workers by playing a significant role in both setting the number of workers that GSA and P&CM provided to the Georgetown Project, as well as setting their work hours.

55. Dynamic also closely supervised and controlled the work of GSA and P&CM workers and had the power to direct workers to complete specific tasks or make changes and fixes to previously completed work.

56. Dynamic also kept and maintained detailed employment records for GSA and P&CM workers on the Georgetown Project. Dynamic maintained a daily hard-copy sign-in sheet that bore a Dynamic logo, on which GSA and P&CM workers recorded their sign-in time, sign-out time, total hours, and description of work performed.

57. GSA and P&CM also depended on Dynamic's recordkeeping to pay wages to their workers.

58. Dynamic's control over GSA's workers is also demonstrated through their written contracts. For example, one Dynamic subcontract with GSA required GSA workers to wear and display Dynamic identification while working on a worksite and attend weekly meetings regarding progress and quality control. The subcontract also required GSA to maintain the same working

crew throughout the duration of the project, with any changes subject to Dynamic's authorization.

59. Defendants Gilbane, Dynamic, GSA, and P&CM used this worker misclassification scheme to unlawfully reduce their labor costs to complete the Georgetown Project in violation of District law.

The Consigli Projects

60. Consigli is another general contractor that frequently subcontracts drywall installation services to Dynamic on construction projects throughout the District.

61. Consigli, Dynamic, and numerous labor subcontractors completed these projects at unlawfully reduced labor costs through a worker misclassification scheme substantially similar to that employed in the Georgetown Project.

62. For example, Consigli subcontracted with Dynamic to complete drywall work for numerous construction projects in the District, including but not limited to: the renovation of a luxury fitness club located at 650 Massachusetts Avenue NW (the "Massachusetts Avenue Project"); a campus building at George Washington University located at 2300 H Street NW (the "GWU Project"); and a museum located at 1600 21st Street NW (the "Phillips Collection Project"). Together, these contracts totaled over \$1.3 million in value.

63. Like in the Georgetown Project, Dynamic relied heavily on laborers supplied by labor subcontractors on these construction sites, including Labor Subcontractor Defendants JC and AVE.

64. Dynamic subcontracted with JC to supply laborers on the Massachusetts Avenue Project. Dynamic subcontracted with AVE to supply laborers on the Massachusetts Avenue, GWU, and Phillips Collection Projects.

65. JC and AVE misclassified their workers as independent contractors and paid them

hourly wages, paid out in gross amounts for hours worked on a weekly basis. Contrary to this classification, JC's and AVE's workers were under JC's and AVE's control, they were not engaged in an independently established business, and they performed work squarely within JC's and AVE's usual course of business.

66. JC and AVE repeatedly violated the District's wage-and-hour laws, with workers working over 40 hours per week and not being paid overtime rates.

67. JC and AVE did not provide their workers with accrued paid sick leave.

68. JC and AVE failed to provide their workers with written notices upon hire providing workers with JC's and AVE's addresses, telephone numbers, the worker's rate of pay and the basis for that rate, and JC's and AVE's regular payday.

69. JC and AVE also failed to provide their workers with itemized pay stubs showing their hours worked for the pay period.

70. JC and AVE did not withhold taxes from these wage payments and did not pay employer shares of payroll taxes for these wage payments.

71. In addition, Dynamic functioned as a joint employer of JC's and AVE's workers because Dynamic exercised extensive control and supervision over the workers on a day-to-day basis. As an employer of these workers, Dynamic engaged in the same misclassification, wage-and-hour, sick leave, and recordkeeping violations that JC and AVE committed, as alleged in Paragraphs 65-70.

72. Dynamic's control over AVE's workers is further demonstrated by their written subcontracts. For example, one subcontract between Dynamic and AVE required AVE to follow directions from Dynamic's on-site foremen and to maintain the same working crew throughout the duration of the project, with any changes prohibited without express authorization from Dynamic.

73. Consigli, Dynamic, JC, and AVE completed the Massachusetts Avenue, GWU, and Phillips Collection Projects at unlawfully reduced labor costs through a worker misclassification scheme substantially similar to that employed in the Georgetown Project and likewise in violation of District employment laws.

ii. The Broad Scope of Dynamic's Misclassification of Construction Workers.

74. Dynamic employed misclassified workers at dozens of additional District worksites, including those controlled by the GC Defendants and other general contractors.

75. For example, Dynamic subcontracted with Labor Subcontractor Defendants at several District worksites managed by other general contractors, including but not limited to the following:

- a. Dynamic subcontracted with JC to complete construction work at a building project located at 2215 Adams Place NE;
- b. Dynamic subcontracted with JC and AVE to complete construction work at a museum located at 925 13th Street NW;
- c. Dynamic subcontracted with JC and AVE to complete construction work at a church located at 770 M Street SE;
- d. Dynamic subcontracted with AVE to complete construction work at a soccer stadium located at 100 Potomac Street SW;
- e. Dynamic subcontracted with AVE to complete construction work at a housing development located at 1700 Rhode Island Avenue NE; and
- f. Dynamic subcontracted with AVE to complete construction work at an office building located at 1201 New York Avenue NW.

76. In addition, on information and belief, Dynamic used multiple other labor subcontractors to obtain laborers for construction projects in the District and engaged in a worker misclassification scheme with such labor subcontractors similar to that engaged in with Labor Subcontractor Defendants GSA, P&CM, JC, and AVE. These construction projects included, but are not limited to: a residential apartment building located at 1550 First Street SW; an apartment

complex located at 1431 E Street NE; an apartment complex located at 617 Hamlin Street NE; and an office building located at 609 H Street NE.

77. The breadth of Dynamic’s worker misclassification scheme is further supported by its relatively low expenditure on wages paid to its direct payroll employees (“Payroll Employees”).

78. In contracts for drywall installation, labor costs constitute a major—if not predominant—expense. But at dozens of worksites, Dynamic’s expenditures to its Payroll Employees constituted a small fraction of the project’s contract value. Dynamic has over 70 construction projects in the District—and on the vast majority of these projects, Dynamic’s wage expenditures paid to Payroll Employees constituted less than 33% of the project’s contract value. By comparison, in only a small fraction of these projects did Dynamic’s wage expenditures exceed 50% of the project’s contract value.

CLAIMS FOR RELIEF

COUNT I: WORKER MISCLASSIFICATION – VIOLATION OF THE WORKPLACE FRAUD ACT

79. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

80. The WFA prohibits employers from improperly classifying workers as independent contractors when they should be classified as employees. D.C. Code § 32-1331.04.

81. GSA, P&CM, JC, and AVE are “employers” as defined in the WFA and are liable for violating the WFA by misclassifying their workers supplied to Dynamic construction projects as independent contractors when they should have been classified as employees. D.C. Code §§ 32-1331.01(2)-(3); 1331.04.

82. Dynamic is also an “employer” (i.e., a joint employer) of the misclassified workers provided to it by labor subcontractors. D.C. Code § 32-1331.01(3). As such, Dynamic is also liable

for violating the WFA by misclassifying workers supplied by labor subcontractors, including those supplied by GSA, P&CM, JC, and AVE.

83. In addition, D.C. Code § 32-1303(5) provides that parties in a contracting chain, including the general contractor, are jointly and severally liable for a subcontractor's violations of the WFA.

84. Thus, under D.C. Code § 32-1303(5), the GC Defendants (Gilbane and Consigli) and Dynamic are jointly and severally liable for any violations of the WFA committed by a lower-tier subcontractor, including GSA, P&CM, JC, and AVE.

85. The Attorney General is authorized to bring a civil action in the Superior Court for violations of the WFA and may recover restitution, injunctive relief, statutory penalties, attorneys' fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

86. Under the WFA, misclassified employees are entitled to damages of \$500 for each violation of the WFA. D.C. Code § 32-1331.09(a)(2).

87. Under the WFA, employers are subject to a civil penalty of between \$1,000-\$5,000 for each violation of the WFA, where each misclassified employee shall be considered a separate violation. D.C. Code § 32-1331.07(a).

88. The District brings this claim for relief against all Defendants to recover damages and penalties for violations of the WFA, in an amount to be proven at trial.

**COUNT II: FAILURE TO PAY OVERTIME –
VIOLATION OF THE MINIMUM WAGE REVISION ACT**

89. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

90. The MWRA requires employers to pay employees a wage rate of at least 1.5 times the employee's regular rate for hours worked in excess of 40 hours per week. D.C. Code § 32-

1003(c).

91. GSA, P&CM, JC, and AVE are “employers,” and their workers are “employees” as defined by the MWRA. D.C. Code § 32-1002(1A), (2), (3).

92. GSA, P&CM, JC, and AVE violated the MWRA by failing to pay overtime rates to their employees for hours worked in excess of 40 hours per week.

93. Dynamic is also an “employer” (i.e., a joint employer) under the MWRA of the workers provided to it by labor subcontractors. D.C. Code § 32-1002(3). As such, Dynamic is also liable for violating the MWRA by failing to pay overtime rates to workers supplied by labor subcontractors, including those supplied by GSA, P&CM, JC, and AVE.

94. In addition, D.C. Code § 32-1012(c) provides that parties in a contracting chain, including the general contractor, are jointly and severally liable for a subcontractor’s violations of the MWRA.

95. Thus, under D.C. Code § 32-1012(c), the GC Defendants (Gilbane and Consigli) and Dynamic are jointly and severally liable for any violations of the WFA committed by a lower-tier subcontractor, including GSA, P&CM, JC, and AVE.

96. The Attorney General is authorized to bring a civil action in the Superior Court for violations of the MWRA and may recover restitution, injunctive relief, statutory penalties, attorneys’ fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

97. For violations of the MWRA, the Attorney General is authorized to recover the payment of overtime wages unlawfully withheld and an additional amount of liquidated damages equal to treble the amount of unlawfully withheld wages. D.C. Code § 32-1306(a)(2)(A)(iii).

98. For violations of the MWRA, the law provides for penalties of \$50 (for first violations) or \$100 (for subsequent violations) for each employee or person whose rights under

the MWRA are violated for each day that the violation occurred or continued. D.C. Code § 32-1011(d)(1)(A)-(B).

99. The District brings this claim for relief against all Defendants to recover damages and penalties for overtime violations of the MWRA, in an amount to be proven at trial.

**COUNT III: FAILURE TO PROVIDE PAID SICK LEAVE –
VIOLATION OF THE SICK AND SAFE LEAVE ACT**

100. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

101. The SSLA requires employers to provide employees with paid sick leave, which is accrued based upon hours worked at a rate that depends on the employer's total number of employees. D.C. Code § 32-531.02.

102. GSA, P&CM, JC, and AVE are "employers," and their workers are "employees" as defined by the SSLA. D.C. Code § 32-531.01(2)-(3).

103. GSA, P&CM, JC, and AVE violated the SSLA by failing to provide their employees with accrued paid sick leave.

104. Dynamic is also an "employer" (i.e., a joint employer) under the SSLA of the workers provided to it by labor subcontractors. D.C. Code § 32-531.01(2)-(3). As such, Dynamic is also liable for violating the SSLA by failing to provide accrued paid sick leave to workers supplied by labor subcontractors, including those supplied by GSA, P&CM, JC, and AVE.

105. In addition, D.C. Code § 32-1303(5) provides that parties in a contracting chain, including the general contractor, are jointly and severally liable for a subcontractor's violations of the SSLA.

106. Thus, under D.C. Code § 32-1303(5), the GC Defendants (Gilbane and Consigli) and Dynamic are jointly and severally liable for any violations of the SSLA committed by a lower-

tier subcontractor, including GSA, P&CM, JC, and AVE.

107. The Attorney General is authorized to bring a civil action in the Superior Court for violations of the SSLA and may recover restitution, injunctive relief, statutory penalties, attorneys' fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

108. Under the SSLA, employees are entitled to damages of \$500 for each accrued paid sick leave day denied. D.C. Code § 32-531.12(b).

109. Under the SSLA, employers are subject to a penalty of \$1,000 (for the first offense), \$1,500 (for the second offense), and \$2,000 (for the third and each subsequent offense) for each violation of the SSLA. D.C. Code § 32-531.12(c).

110. The District brings this claim for relief against all Defendants to recover damages and penalties for violations of the SSLA, in an amount to be proven at trial.

**COUNT IV: FAILURE TO KEEP PAYROLL RECORDS –
VIOLATION OF THE MINIMUM WAGE REVISION ACT**

111. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

112. GSA, P&CM, JC, and AVE are “employers” and their workers are “employees” as defined by the MWRA. D.C. Code § 32-1002(1A), (2), (3).

113. The MWRA requires employers to provide employees at the time of payment of wages an itemized statement showing the “[h]ours worked during the pay period.” D.C. Code § 32-1008(b)(5).

114. The MWRA also requires employers to provide employees at the time of hire a written notice providing the employer's name, physical address, telephone number, the employee's rate of pay and the basis for that rate, and the employer's regular payday (the “Notice of Hire” form). D.C. Code § 32-1008(c)(1)-(5).

115. GSA, P&CM, JC, and AVE violated the MWRA by failing to provide itemized statements to their workers at the time of payment of wages that showed their hours worked during the pay period.

116. GSA, P&CM, JC, and AVE also violated the MWRA by failing to provide their workers with the Notice of Hire form.

117. Dynamic is also an “employer” (i.e., a joint employer) under the MWRA of the workers provided to it by labor subcontractors. D.C. Code § 32-1002(3). As such, Dynamic is also liable for violating the MWRA by failing to provide itemized pay statements showing hours worked and a Notice of Hire form to workers supplied by labor subcontractors, including those supplied by GSA, P&CM, JC, and AVE.

118. In addition, D.C. Code § 32-1012(c) provides that parties in a contracting chain, including the general contractor, are jointly and severally liable for a subcontractor’s violations of the MWRA.

119. Thus, under D.C. Code § 32-1012(c), the GC Defendants (Gilbane and Consigli) and Dynamic are jointly and severally liable for any recordkeeping violations of the MWRA committed by a lower-tier subcontractor, including GSA, P&CM, JC, and AVE.

120. The Attorney General is authorized to bring a civil action in the Superior Court for violations of the MWRA and may recover restitution, injunctive relief, statutory penalties, attorneys’ fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

121. Under the MWRA, employers are subject to a penalty of \$500 for each failure to provide each employee an itemized wage statement or the Notice of Hire form. D.C. Code § 32-1011(d)(1)(E).

122. The District brings this claim for relief against all Defendants to recover penalties for recordkeeping violations of the MWRA, in an amount to be proven at trial.

REQUESTED RELIEF

WHEREFORE, Plaintiff District of Columbia respectfully requests:

- a. A declaratory judgment that the worker misclassification scheme alleged herein is unlawful and in violation of the Workplace Fraud Act;
- b. An injunction enjoining all Defendants from continuing the worker misclassification scheme described herein while doing business in the District;
- c. An award of damages against all Defendants for misclassifying workers as independent contractors in violation of the Workplace Fraud Act, in an amount to be proven at trial;
- d. An award of damages and liquidated damages against all Defendants for failing to pay overtime in violation of the Minimum Wage Revision Act, in an amount to be proven at trial;
- e. An award of damages against all Defendants for failing to provide accrued paid sick leave in violation of the Sick and Safe Leave Act, in an amount to be proven at trial;
- f. Statutory penalties against all Defendants for each violation of the Workplace Fraud Act, Minimum Wage Revision Act, and Sick and Safe Leave Act, in an amount to be proven at trial;
- g. An award of costs and reasonable attorneys' fees; and
- h. Such other and further relief as this Court deems just and proper.

JURY DEMAND

The District demands a jury trial on all issues triable as of right by a jury in this action.

Dated: October 18, 2021

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